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SIPDIS

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TAGS: [ENRG](#) [ECON](#) [LH](#)  
SUBJECT: LITHUANIA NUCLEAR PLANT SHUTS DOWN UNEVENTFULLY,  
ON SCHEDULE

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¶1. SUMMARY: Lithuania shut down its Ignalina Nuclear Power Plant (INPP) without incident at 11 p.m. local time on December 31, fulfilling a pledge it had made to the European Union. Before it closed, INPP was producing about 70 percent of Lithuania's electricity. The country's non-nuclear energy producers are capable of replacing that, but it will be cheaper for Lithuania instead to import about 50 percent of the electricity it needs. Nonetheless, the price of electricity paid by consumers has increased. End summary.

¶2. The INPP, which began producing electricity in 1984, wound down its operations late on Dec. 31, an hour before the deadline Lithuania had agreed to 10 years earlier during its EU accession negotiations. The first of the plant's two reactors was stopped in 2004. The reactors were of the RBMK type also used in Chernobyl, and the EU said that even though the reactors had been significantly modified and upgraded, it was impossible to achieve a required safety level, especially because of weaknesses in the design of the containment system.

¶3. Electricity prices will increase by about one-third as a result of the INPP shutdown, according to the Lietuvos Energija power transmission company. In early December the Lithuanian National Energy Price Control Commission approved a 36 percent increase in the price of electricity for retail consumers, effective January 1 (reftel).

¶4. Energy suppliers in Russia, Latvia, Estonia and other nearby countries are selling electricity to customers in Lithuania, and 17 power companies have registered to participate in a new power exchange that began operations January 1, media reported. Trading on that market is anonymous, with neither suppliers nor customers knowing whom they are selling to or buying from.

¶5. Following the INPP shutdown, the natural gas- and fuel oil-fired Elektrenai power plant has become Lithuania's largest energy producer. Lithuania is planning a new nuclear-power plant, and in December the Ministry of Energy announced a tender for the selection of a strategic investor for the new Visaginas Nuclear Power Plant project. Those bids are due January 29, and the GOL expects to sign a deal with an investor in the second half of 2010. The Visaginas plant is not expected to be operational for eight to 10 years.

¶6. Politicians and others fear that the need to import power, as well as the gas and oil to run plants such as Elektrenai, will make Lithuania more susceptible to hardball energy politics from Russia.

LEADER